



HOUSE OF REPRESENTATIVES

H. No. 4149

BY REPRESENTATIVES LOYOLA, ACHARON, ALONTE, ERIGUEL, DALOG, SALCEDA, MANGAOANG, PANCHO, FERRER (L.), MARTINEZ, YAP (M.), MATUGAS, NUÑEZ-MALANYAON, TIANGCO, SANTOS-RECTO, DIMAPORO (M.K.), PIMENTEL, RELAMPAGOS, BARZAGA, CORTES, CUARESMA, BORDADO, ALMONTE, VILLANUEVA, FERRER (J.), NIETO, UY (J.), ARCILLAS, SAGARBARRIA, PRIMICIAS-AGABAS AND CERAIFICA, PER COMMITTEE REPORT NO. 17

AN ACT ALLOWING THE CONVERSION OF A MUNICIPALITY OR A CLUSTER OF BARANGAYS WITH A LOCALLY GENERATED AVERAGE ANNUAL INCOME OF AT LEAST TWO HUNDRED FIFTY MILLION PESOS (P250,000,000) INTO A COMPONENT CITY IF IT HAS EITHER A POPULATION OF NOT LESS THAN ONE HUNDRED THOUSAND (100,000) INHABITANTS OR A CONTIGUOUS TERRITORY OF AT LEAST ONE HUNDRED (100) SQUARE KILOMETERS, AMENDING FOR THE PURPOSE SECTION 450 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE OF 1991"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

- 1 SECTION. 1. Section 450 of Republic Act No. 7160, as amended by
- 2 Republic Act No. 9009, otherwise known as the "Local Government Code of
- 3 1991", is hereby further amended to read as follows:

1 “SEC. 450. *Requisites for Creation.* – (a) A municipality
2 or a cluster of barangays may be converted into a component
3 city if it has a locally generated average annual income, as
4 certified by the Department of Finance, of at least One hundred
5 million pesos (P100,000,000) for the last two (2) consecutive
6 years based on [2000] 2012 constant prices, and if it has either
7 of the following requisites:

8 “(i) a contiguous territory of at least one hundred (100)
9 square kilometers, as certified by the Land Management Bureau;
10 or

11 “(ii) a population of not less than one hundred fifty
12 thousand (150,000) inhabitants, as certified by the [National
13 Statistics Office.] **PHILIPPINE STATISTICS AUTHORITY (PSA):**

14 “*PROVIDED, THAT, [T]*The creation thereof shall not
15 reduce the land area, population and income of the original unit
16 or units at the time of said creation to less than the minimum
17 requirements prescribed herein.

18 “**A MUNICIPALITY OR A CLUSTER OF BARANGAYS WITH A**
19 **LOCALLY GENERATED AVERAGE ANNUAL INCOME, AS**
20 **CERTIFIED BY THE DEPARTMENT OF FINANCE, OF AT LEAST**
21 **TWO HUNDRED FIFTY MILLION PESOS (P250,000,000) FOR THE**
22 **LAST TWO (2) CONSECUTIVE YEARS BASED ON 2012 CONSTANT**
23 **PRICES MAY ALSO BE CONVERTED INTO A COMPONENT CITY IF**
24 **IT HAS EITHER A POPULATION OF NOT LESS THAN ONE**
25 **HUNDRED THOUSAND (100,000) INHABITANTS AS CERTIFIED BY**
26 **THE PSA OR A CONTIGUOUS TERRITORY OF AT LEAST ONE**
27 **HUNDRED (100) SQUARE KILOMETERS, AS CERTIFIED BY THE**
28 **LAND MANAGEMENT BUREAU: *PROVIDED, THAT THREE (3)***

1 YEARS AFTER THE EFFECTIVITY OF THIS ACT AND EVERY
2 THREE (3) YEARS THEREAFTER, THE THRESHOLD AMOUNT OF
3 TWO HUNDRED FIFTY MILLION PESOS (P250,000,000) SHALL
4 BE INCREASED BY FIVE PERCENT (5%).”

5 “(b) The territorial jurisdiction of a newly-created city
6 shall be properly identified by metes and bounds. The
7 requirement on land area shall not apply where the city proposed
8 to be created is composed of one (1) or more islands. The
9 territory need not be contiguous if it comprises two (2) or more
10 islands.

11 “(c) The average annual income shall include the income
12 accruing to the general fund, exclusive of special funds,
13 transfers, and non-recurring income.”

14 SEC. 2. This Act shall take effect fifteen (15) days after its publication
15 in the *Official Gazette* or in a newspaper of general circulation.

Approved,

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